



CN 2005-00389

Ernie Fletcher  
Governor

LaJuana S. Wilcher, Secretary  
Environmental and Public  
Protection Cabinet

Christopher L. Lilly  
Commissioner  
Department of Public Protection

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

Mark David Goss  
Chairman

Teresa J. Hill  
Vice Chairman

Gregory Coker  
Commissioner

March 1, 2006

The Honorable Damon Thayer  
State Capitol Annex  
Room 225  
Frankfort, KY 40601

RE: Andre Regard correspondence / Kentucky Utilities

Dear Damon:

I have spoken to Commission staff regarding Mr. Regard's complaint. The Commission has issued an order to the utility to answer the complaint. The utility has 10 days to respond to the Commission's order. As an open docket before the Commission, I am not at liberty to discuss the case in detail. Please assure your constituent that the PSC is reviewing the case and the Commission will make a decision once all the information is received. We will endeavor to do so in a speedy fashion.

Thank you for your interest in this matter. Please contact me should you have further questions.

Sincerely,

Mark David Goss  
Chairman

MDG/ae



**DAMON THAYER**  
State Senator

17th Senate District  
102 Grayson Way  
Georgetown, KY 40324  
Telephone: (502) 867-3046  
Fax: (502) 564-5508

State Capitol Annex  
Room 225  
Frankfort, Kentucky 40601  
(502) 564-8100, Ext. 644  
E-Mail: [damon.thayer@lrc.ky.gov](mailto:damon.thayer@lrc.ky.gov)

January 3, 2006

Mark David Goss, Chairman  
Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

Dear Mark David:

Andre Regard has contacted me regarding a steep rate increase charged by Kentucky Utilities.

This seems unfair to me. Could you please review the attached and let me know if there is anything the PSC can do about this?

Many thanks.

Sincerely,

A handwritten signature in black ink that reads "Damon Thayer".

Damon Thayer  
State Senator

DT/ajp  
Attachment

cc: Andre Regard

ANDRE F. REGARD  
ATTORNEY AT LAW

269 W. MAIN STREET  
SUITE 600  
LEXINGTON, KENTUCKY 40507

(859) 281-1318  
FAX (859) 281-1319  
aregard@aol.com

November 17, 2005

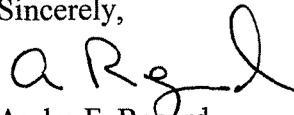
Senator Damon Thayer  
102 Grayson Way  
Georgetown, KY 40324

Re: Public Service Commission Complaint – 271 W. Main St., LLC vs. Kentucky  
Utilities

Dear Senator Thayer,

Attached is a copy of the complaint that I sent to the Public Service Commission concerning the Kentucky Utility rates charged to the building that I purchased on Main Street in Lexington. As I discussed with you, upon purchasing the building the rates went up approximately 43%. This was due to the change of ownership in the building and for no other reason. As explained in my complaint, this makes absolutely no sense to me since there has been no change in service. In addition, there was no way to have anticipated this change, as it was tucked into a very large rate change package that KU had passed last year. I thank you for any assistance you may give me in this matter.

Sincerely,

  
Andre F. Regard

AFR/bm

ANDRE F. REGARD  
ATTORNEY AT LAW

320A PLEASANT STREET  
PARIS, KENTUCKY 40361

(859) 987-2820  
FAX (859) 987-3581  
aregard@aol.com

September 19, 2005

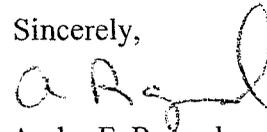
Public Service Commission  
Ms. Ginny Smith, Director  
Division of Consumer Services  
211 Sower Blvd., P.O. Box 615  
Frankfort, KY 40602-0615

Re: 271 West Main Street, LLC vs. Kentucky Utilities

Dear Ms. Smith,

Enclosed is a Complaint in the matter of 271 West Main Street, LLC vs. Kentucky Utilities to be filed with your office. Please give me a call if you have any questions.

Sincerely,



Andre F. Regard

AFR/bm

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:

271 West Main Street, LLC  
COMPLAINANT

VS.

Kentucky Utilities  
DEFENDANT

COMPLAINT

The complaint of 271 West Main Street, LLC respectfully shows:

- (a) 271 West Main Street, LLC  
269 W. Main St., Suite 600, Lexington, KY 40507
- (b) Kentucky Utilities  
P.O. Box 14242, Lexington, KY 40512-4242

That: 271 West Main Street, LLC purchased the building known as the Court Yard Square building, 269 West Main Street, Lexington, Kentucky, 40507 on March 18<sup>th</sup>, 2005. During the due diligence prior to the purchase of the building the cost of utilities servicing the building was reviewed and everything seemed in order. After purchasing the building, the utility rates went up approximately 43%. Attached are the bills from prior to the purchase and the bills after the purchase as well as a spreadsheet showing the cost of each month for the last 18 months.

Kentucky Utilities was contacted after it came to the attention of the Complainant that the bills had gone up 43%. Kentucky Utilities told the Complainant that nothing could be done about this matter due to the fact that it was part of a rate tariff that had been passed in 2004. The rate tariff passed in 2004 grandfathered certain LP users. See original sheet No. 20, PSC No. 13 attached. It was the position of KU that the change of ownership of the building allowed for an increased rate. The Complainant was informed that this was the first time that an increase of this magnitude had been experienced under the grandfathered clause.

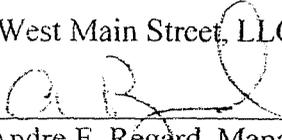
Continued on Next Page

The Complainant believes that it was not the intention of the Public Service Commission for buildings to experience this increase in utility rates upon a mere transfer of ownership. As it is well known, most grandfathered conditions (such as zoning nonconforming issues) generally apply to the property and not to the ownership.

Wherefore, Complainant asks that: The rates structure for the building be returned to the prior LP rate service under original sheet No. 20, PSC No. 13 for the building, which is LP-Secondary service.

Dated at Lexington, Kentucky, this 19<sup>th</sup> day  
of September, 2005.

271 West Main Street, LLC

By: 

Andre F. Regard, Manager

Attorney:

Andre F. Regard  
269 W. Main Street, Suite 600  
Lexington, KY 40507

<b>MONTHLY UTILITY BILLS FOR 269 WEST MAIN</b>				
<b>Kentucky Utilities</b>				
	<b>2005</b>	<b>KWH Useage</b>	<b>Charge</b>	<b>\$/KWH</b>
December				
November				
October				
September				
August		66,240	\$4,940.55	0.0745
July		72,800	\$4,692.48	0.0645
June		58,080	\$3,835.89	0.0661
May		63,440	\$3,874.90	0.0611
April				
March			\$1,767.91	
February		53,200	\$2,720.96	0.0511
January		59,680	\$2,818.34	0.0472
	<b>2004</b>			
December		48880	\$2,441.16	0.0499
November		48880	\$2,544.64	0.0521
October		51200	\$2,736.72	0.0535
September		62000	\$2,991.63	0.0483
August		57760	\$2,956.84	0.0512
July		71920	\$3,180.63	0.0442
June		55120	\$2,626.70	0.0477
May		48640	\$2,335.48	0.048
April		53520	\$2,431.50	0.0454
March		49360	\$1,997.73	0.0405
February		56960	\$2,535.83	0.0445
January				

<b>ELECTRIC RATE SCHEDULE</b>		<b>LP</b>
<b>Large Power Service</b>		
<b>APPLICABLE</b> In all territory served.		
<b>AVAILABILITY OF SERVICE</b> This rate schedule is available for secondary, primary or available transmission line service on an annual basis for lighting and/or heating and/or power.  It is optional with the customer whether service will be billed under this schedule for the entire requirements, or under various other schedules applicable to the various services. The customer having selected this schedule will continue to be billed under it for not less than 12 consecutive months, unless there should be a material and permanent change in the customer's service.  Service under this schedule will be limited to minimum average secondary loads of 200 KW and maximum average loads not exceeding 5,000 KW.  Customers with average single phase loads less than 200KW receiving service under this rate schedule as of July 1, 2004, will continue to be served under this rate schedule.		
<b>RATE</b> Customer Charge: \$75.00 per month  Maximum Load Charge:  Secondary Service \$6.65 per kilowatt of the maximum load in the month.  Primary Service \$6.26 per kilowatt of the maximum load in the month  Transmission Service \$5.92 per kilowatt of the maximum load in the month  Plus an Energy Charge of: 2.200 cents per KWH		
<b>ADJUSTMENT CLAUSES</b> The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:		
Fuel Adjustment Clause		Sheet No. 70
Demand-Side Management Surcharge		Sheet No. 71
Environmental Cost Recovery Surcharge		Sheet No. 72
Merger Surcredit Rider		Sheet No. 73
Earnings Sharing Mechanism		Sheet No. 74
Value Delivery Surcredit Rider		Sheet No. 75
Franchise Fee Rider		Sheet No. 76
School Tax		Sheet No. 77
Program Cost Recovery Mechanism		Sheet No. 62

**Date of Issue: July 20, 2004**

**Issued By**

**Date Effective: With Service Rendered  
On and After  
July 1, 2004**

**Michael S. Beer, Vice President  
Lexington, Kentucky**

**Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004**

**ELECTRIC RATE SCHEDULE**

**LP**

**Large Power Service**

**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the month.

The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90 percent of the applicable KW charge.

In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD).

$$\text{Adjusted Maximum KW Load for Billing Purposes} = \frac{\text{Maximum Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$$

**MINIMUM ANNUAL CHARGE**

Service under this schedule is subject to an annual minimum of \$79.80 per kilowatt for secondary delivery, \$75.12 per kilowatt for primary delivery and \$71.04 per kilowatt for transmission delivery for each yearly period based on the greater of (a), (b), (c), (d), or (e) as follows:

- (a) The highest monthly maximum load during such yearly period.
- (b) The contract capacity, based on the expected maximum KW demand upon the system.
- (c) 60 percent of the KW capacity of facilities specified by the customer.
- (d) Secondary delivery, \$798.00 per year; Primary delivery, \$1,878.00 per year; Transmission delivery, \$3,552.00 per year.
- (e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

Payments to be made monthly of not less than 1/12 of the Annual Minimum until the aggregate payments during the contract year equal the Annual Minimum. However, payments made in excess of the amount based on above rate schedule will be applied as a credit on billings for energy used during contract year. A new customer or an existing customer having made a permanent change in the operation of electrical equipment that materially affects the use in kilowatt-hours and/or use in kilowatts of maximum load will be given an opportunity to determine new service requirements in order to select the most favorable contract year period and rate applicable.

**DUE DATE OF BILL**

Customer's payment will be due within 10 days from date of bill.

**TERM OF CONTRACT**

For a fixed term of not less than one year and for such time thereafter until terminated by either party giving 30 days written notice to the other of the desire to terminate.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered  
On and After  
July 1, 2004

Michael S. Beer, Vice President  
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004



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Vice Chairman

Gregory Coker  
Commissioner

Andre F. Regard  
Attorney at Law  
269 W. Main Street, Suite 600  
Lexington, KY 40507

September 23, 2005

RE: Case No. 2005-00389  
Kentucky Utilities Company  
(Complaints - Rates)  
271 West Main Street, LLC; Complainant

This letter is to acknowledge receipt of initial filing in the above case. The filing was date-stamped received September 21, 2005 and has been assigned Case No. 2005-00389. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact J.E.B. Pinney at (502) 564-3940 ext. 427.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell  
Executive Director

BOD/jc

Michael S. Beer  
Vice President, Rates & Regulatory  
Kentucky Utilities Company  
c/o Louisville Gas & Electric Co.  
P. O. Box 32010  
Louisville, KY 40232-2010

Andre F. Regard  
Attorney at Law  
269 W. Main Street, Suite 600  
Lexington, KY 40507